



FEDERAL HOUSING FINANCE AGENCY

[No. 2021–N–8]

Proposed Collection; Comment Request

AGENCY: Federal Housing Finance Agency.

ACTION: 60-day notice of submission of information collection for approval from Office of Management and Budget.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Federal Housing Finance Agency (FHFA or the Agency) is seeking public comments concerning an information collection known as “Minority and Women Inclusion,” which has been assigned control number 2590-0014 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three-year extension of the control number, which is due to expire on October 31, 2021.

DATES: Interested persons may submit comments on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Submit comments to FHFA, identified by “Proposed Collection; Comment Request: “Minority and Women Inclusion, (No. 2021-N-8)” by any of the following methods:

- Agency Website: www.fhfa.gov/open-for-comment-or-input.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by *e-mail* to FHFA at RegComments@fhfa.gov to ensure timely receipt by the Agency.
- Mail/Hand Delivery: Federal Housing Finance Agency, 400 Seventh Street SW.,

Washington, DC 20219, ATTENTION: Proposed Collection; Comment

Request: “Minority and Women Inclusion, (No. 2021-N-8)”.

We will post all public comments we receive without change, including any personal information you provide, such as your name and address, email address, and telephone number, on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m., at the Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 649-3804.

FOR FURTHER INFORMATION CONTACT: Felicia Bland, Supervisory Examination Specialist, Office of Minority and Women Inclusion, Felicia.Bland@fhfa.gov, or by telephone at (202) 365-7471; or Angela Supervielle, Counsel, Angela.Supervielle@fhfa.gov, (202) 649-3973 (these are not toll-free numbers); Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219. The Telecommunications Device for the Deaf is (800) 877-8339.

SUPPLEMENTARY INFORMATION:

FHFA is seeking comments on its collection of information regarding the minority and gender classification of individuals serving on the boards of directors of the Federal Home Loan Banks (Banks) and of the Office of Finance under FHFA’s regulations on Minority and Women Inclusion (MWI), codified at 12 CFR part 1223, which it will soon be submitting for renewal of the OMB control number under the PRA.

A. Need for and Use of the Information Collection

The Federal Home Loan Bank System consists of eleven regional Banks and the Office of Finance, which issues and services the Banks’ debt securities. The Banks are wholesale financial institutions, organized under authority of the Federal Home Loan Bank Act (Bank Act) to serve the public interest by enhancing the availability of

residential housing finance and community lending credit through their member institutions and, to a limited extent, through certain eligible non-member entities. Each Bank is structured as a regional cooperative that is owned and controlled by member financial institutions located within its district, which are also its primary customers. The Bank Act vests the management of each Bank in a board of directors that consists of two types of directors: (1) member directors, who are drawn from the officers and directors of member institutions located in the Bank's district and who are elected to represent members in a particular state in that district; and (2) independent directors, who are unaffiliated with any of the Bank's member institutions, but who reside in the Bank's district and are elected on an at-large basis.¹ The Office of Finance is also governed by a board of directors, which consists of the presidents of the eleven Banks and five independent directors.²

Section 1319A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) requires that each of the Banks establish an Office of Minority and Women Inclusion (OMWI) to be responsible for all matters relating to diversity in its management, employment, and business activities, in accordance with requirements established by FHFA.³ Section 1319A also requires that each Bank implement standards and procedures to ensure, to the maximum extent possible, the inclusion and utilization of women and minorities "at all levels" of its business and activities, and submit an annual report to FHFA detailing actions taken to achieve those goals.⁴

FHFA's MWI regulations implement those statutory requirements and also extend the requirements to the Office of Finance. The MWI regulations require

¹ See 12 U.S.C. 1427(a)(1), (b), (d).

² See 12 CFR 1273.7(a).

³ See 12 U.S.C. 4520(a).

⁴ See 12 U.S.C. 4520(b), (d).

generally that each Bank and the Office of Finance “develop, implement, and maintain policies and procedures to ensure, to the maximum extent possible in balance with financially safe and sound business practices, the inclusion and utilization of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses in all business and activities and at all levels of the regulated entity, including in management, employment, procurement, insurance, and all types of contracts.”⁵ In recognition of the fact that each Bank is required by statute to promote diversity and inclusion “at all levels” of its business and activities, the MWI regulations further require that the Banks’ policies and procedures (as well as those of the Office of Finance) “[e]ncourage the consideration of diversity in nominating or soliciting nominees for positions on boards of directors and engage in recruiting and outreach directed at encouraging individuals who are minorities, women, and individuals with disabilities to seek or apply for employment with the regulated entity.”⁶

In conformity with the statutory requirements, FHFA’s MWI regulations require that each Bank and the Office of Finance submit to FHFA an annual report describing, among other things, its efforts to promote diversity at all levels of management and employment, and the results of those efforts.⁷ In order to provide a quantitative basis upon which to assess the results of those efforts, FHFA’s MWI regulations require that each Bank and the Office of Finance set forth in their respective annual reports the demographic data reported on the EEO-1 form, which they are required to file annually with the Equal Employment Opportunity Commission (EEOC).⁸ The EEO-1 form requires that each respondent provide race, ethnicity and gender information for its employees, broken down into various job categories. Because the EEO-1 form does not

⁵ See 12 CFR 1223.21(b).

⁶ See 12 CFR 1223.21(b)(7).

⁷ See 12 CFR 1223.22(a).

⁸ See 12 CFR 1223.23(b)(1). As required by 29 CFR 1602.7, each Bank and the Office of Finance annually files an EEO-1 form with the EEOC.

require that a respondent provide information on board directors, FHFA cannot use the EEO-1 data to assess the effectiveness of the Federal Home Loan Bank System's efforts to "encourage the consideration of diversity in nominating or soliciting nominees for positions on boards of directors."

Therefore, in order to enable FHFA to assess those efforts, the MWI regulations separately require that the annual reports set forth "[d]ata showing for the reporting year by minority and gender classification, the number of individuals on the board of directors of each Bank and the Office of Finance," using the same racial and ethnic classifications that are used on the EEO-1 form (which comply with OMB's "Statistical Policy Directive No. 15, Race and Ethnic Standards for Federal Statistics and Administrative Reporting").⁹ The MWI regulations require that each Bank and the Office of Finance collect that data "through an information collection requesting each director's voluntary self-identification of his or her minority and gender classification without personally identifiable information."¹⁰

FHFA uses the information collected under this control number to assess the effectiveness of the policies and procedures that each Bank and the Office of Finance is required to implement to promote diversity in all of its business and activities "at all levels" and, specifically, to encourage diversity in the nomination and solicitation of nominees for members of its boards of directors. FHFA also uses the information to establish a baseline to analyze future trends related to the diversity of the boards of directors of the Banks and the Office of Finance and to assess the effectiveness of the strategies developed by the Banks and the Office of Finance for promoting, developing, and retaining diverse board talent.

B. Burden Estimate

⁹ See 12 CFR 1223.23(b)(10)(i).

¹⁰ See 12 CFR 1223.23(b)(10)(i)(A).

FHFA estimates the total annual hour burden imposed upon respondents by this information collection to be 20.5 hours. This is based on estimates that 205 Bank and Office of Finance Directors will respond annually, with each response taking an average of 0.1 hours (6 minutes) (205 respondents x 0.1 hours = 20.5 hours).

C. Comments Request

FHFA requests written comments on the following: (1) whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of FHFA's estimate of the burden of the collection of information; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Kevin Smith,

Chief Information Officer,

Federal Housing Finance Agency.